

Decision **DRAFT DECISION OF ALJ BROWN** (Mailed 6/17/2002)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Southern California Edison Company (U 338-E) for Authority to Divest Its Remaining SO₂ Allowances.

Application 00-05-027
(Filed May 15, 2000)

DECISION OF DISMISSAL WITHOUT PREJUDICE**Summary**

This decision dismisses the application, without prejudice, of Southern California Edison (Edison) for authority to divest its remaining sulfur dioxide (SO₂) Allowances.

Background

On May 15, 2000, Edison filed an application pursuant to Pub. Util. Code § 851,¹ for authority to divest its remaining SO₂ allowances, generation-related assets, and to establish the market value of the allowances under Pub. Util. Code § 367(b). Edison proposed to conduct the divestiture according to an auction and sale process described in the application. The Office of Ratepayer Advocates (ORA) filed a protest to Edison's application. The protest did not oppose the sale of Edison's SO₂ allowances by auction, but did oppose Edison's suggestion that if there were no bids for the allowances that they would be transferred to an

¹ All statutory references are to the Pub. Util. Code.

Edison affiliate. ORA recommended instead that if there were no bids that the SO2 allowances be retained for sale at some future date.

Following settlement negotiations, on September 26, 2000, ORA and Edison submitted a Joint Recommendation (JR) to the Commission that resolved the only area of dispute between the parties in this proceeding. Before the Commission acted on the JR, the legislature enacted Assembly Bill (AB) 6X, (Stats. 2001 of the First Extraordinary Session, Ch. 4), that prohibited any sale of the generation-related portion of a utility's assets until 2006.

Discussion

Since Edison filed its application, changes in the California power market and the passage of AB 6X have rendered the application moot. The dismissal of Edison's application, without prejudice, will not restrict Edison from refilling the application at a future date. It promotes efficient use of the Commission and the parties' time and resources to have all aspects of the generation-related assets resolved in a future proceeding, if necessary.

Comments on Draft Decision

The draft decision of Administrative Law Judge Carol Brown in this matter was mailed to the parties in accordance with Pub. Util. Sec. 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____.

Finding of Fact

Since Edison filed its application, changes in the California power market and the passage of AB 6X have rendered the application moot.

Conclusions of Law

1. AB 6X prohibits any sale of the generation-related portion of a utility's assets, including the generation-related portion of Edison's assets, until 2006.

2. Based on AB 6X, it is reasonable and promotes efficient use of the parties' and the Commission's resources and time to dismiss the proceeding.

3. This decision should be effective today so that this proceeding may be closed expeditiously.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company's application for Authority to Divest its Remaining S02 Allowances is dismissed, without prejudice.

2. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.